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04-27-06 -- Rzeplinski, Michael et al. -- Indictment -- News Release

### **Three Indicted in Alleged No-show Job Scheme at Fort Monmouth**

TRENTON – Two former government employees at Fort Monmouth, along with a daughter of one of the employees, were indicted today on federal charges in connection with their scheme to have contractors provide no-show jobs for the daughter, and pay kickbacks to one of the employees, U.S. Attorney Christopher J. Christie announced.

Michael Rzeplinski, 55, a former programs director for the General Services Administration (GSA) and former U.S. Army supervisory engineer, Connie Davidson, 61, a former GSA employee who resides with Rzeplinski in Red Bank, and Kirsten Davidson, 33, of Red Bank, daughter of Connie Davidson, were charged in a six-count Indictment.

Count One of the Indictment charges all three defendants with conspiracy to defraud the United States by making false claims. Rzeplinski is charged with mail fraud in Counts Two and Three, and tax evasion in Counts Four through Six.

The three defendants are expected to surrender themselves at their initial appearances on the Indictment tomorrow before U.S. Magistrate John J. Hughes at 10:30 a.m. in Trenton.

The Indictment describes a scheme in which Rzeplinski and Connie Davidson used their positions at Fort Monmouth to arrange no-show jobs for Kirsten Davidson with two companies, which are identified in the Indictment as

Company-1 and Company-2, that held contracts to provide information technology-related support services to the Army at Fort Monmouth.

According to the Indictment, in February 2002 Rzeplinski caused a project to be awarded to Company-1 to provide IT-related services at Fort Monmouth. The Indictment alleges that between February 2002 and February 2005, Company-1 billed the Army, and Rzeplinski approved, approximately \$283,000 in payment claims for work that Kirsten Davidson did not perform. Kirsten Davidson received in excess of \$125,424 in gross salary from Company-1, although she performed no or almost no work, according to the Indictment.

Furthermore, the Indictment alleges that between January 2003 and October 2005, Company-2 was paid approximately \$555,710 on a GSA IT-related services order, which Rzeplinski and Connie Davidson caused to be awarded to Company-2, and on a separate GSA contract as a second-level subcontractor, which also was arranged by Rzeplinski. According to the Indictment, Kirsten Davidson received approximately \$156,788 in gross salary from Company-2 during this time period, although she performed no or almost no work for Company-2. In addition, the Indictment alleges that as a part of the conspiracy, Company-2 made in excess of \$14,430 in tuition payments to a university located in New Jersey on behalf of Kirsten Davidson.

The Indictment also describes Rzeplinski's scheme to defraud GSA by causing Company-2 to hire a company called "R-ZED Engineering," a sole proprietorship controlled by Rzeplinski, as a subcontractor on Company-2's GSA contract. The Indictment alleges that between June 2002 and October 2005, Company-2, at Rzeplinski's direction, mailed approximately 35 payments, totaling \$151,500, to a post office box in Oceanport. According to the Indictment, Rzeplinski had opened this post office box in the name of R-ZED Engineering. According to the Indictment, R-ZED Engineering never performed any work as a subcontractor to Company-2. Instead, Rzeplinski deposited Company-2's checks into either his personal bank account, or an account he controlled in the name of "R-ZED Engineering Services." The indictment alleges Rzeplinski spent the proceeds on personal expenses.

According to the Indictment, Rzeplinski failed to file any federal income tax returns for tax years 2002, 2003 and 2004. The Indictment alleges the defendant failed to file despite having income in the amounts of \$154,712 for tax year 2002, \$201,495 in 2003, and \$185,464 in 2004. As a result, Rzeplinski evaded taxes for those tax years in the total amount of \$47,081, according to the Indictment.

The defendants are each charged in Count One of the Indictment, which charges conspiracy to making false claims, which carries a statutory maximum penalty of 10 years in prison and a fine of \$250,000, or twice the aggregate loss to the victims or gain to the defendants. Additionally, Rzeplinski is charged with two counts of mail fraud and three counts of tax evasion. Each mail fraud count carries a maximum penalty of 20 years in prison and a fine of \$250,000. Each tax evasion count carries a maximum penalty of 5 years in prison and a fine of \$100,000.

In determining an actual sentence, the judge to whom the case is assigned would, upon a conviction, consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The judge, however, is not bound by those guidelines in determining a sentence.

Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Despite Indictment, every defendant is presumed innocent, unless and until found guilty beyond a reasonable doubt, following a trial at which the defendant has all of the trial rights guaranteed by the U.S. Constitution and federal law.

Christie credited Special Agents of the Defense Criminal Investigative Service, under the direction of Resident Agent in Charge James W. Murawski in Edison, the General Services Administration, Office of Inspector General, under the direction of Special Agent in Charge Daniel J. Walsh in New York, the Internal Revenue Service Criminal Investigation Division, under the direction of Special Agent in Charge Patricia J. Haynes in Newark, and the U.S. Army Criminal Investigation Command, under the direction of Special Agent in Charge Steven Mickelberg at Fort Monmouth, with the investigation leading to the Indictment.

The Government is represented by Assistant U.S. Attorney Eric M. Schweiker of the Criminal Division in Trenton.

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